# GOVERNMENT OF INDIA
# RURAL DEVELOPMENT
# LOK SABHA

STARRED QUESTION NO:370
ANSWERED ON:06.09.2012
PAYMENT OF WAGES UNDER MGNREGS
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**Will the Minister of RURAL DEVELOPMENT be pleased to state:**

(a) whether new technologies including smart card based Electronic Benefit Transfer (EBT) system have been employed to disburse wages to the beneficiaries under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS);

(b) if so, the details thereof;

(c) whether hilly and inaccessible areas lacking Post Office facilities are proposed to be covered under such new technologies for payment of wages;

(d) if so, the details thereof; and

(e) the time by which the system is likely to become operative?

## Answer

MINISTER OF RURAL DEVELOPMENT (SHRI JAIRAM RAMESH)

(a)to(e): A statement is laid on the Table of the House.

Statement as referred to in reply to parts (a) to (e) of Lok Sabha Starred Question No. 370 for answer on 06.09.2012.

(a)to(e): Government is continually striving to improve the efficiency of payments services under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and all new technologies including mobile banking, smart cards, electronic transfer, UID based authentication etc. will be used on a large scale as their feasibility at the field level gets established. For this purpose the following steps have already been taken:

(i) To ensure timely payment, transparency and enhance the integrity of wage payments, Schedule II of MGNREGA, has been amended to provide for wage disbursement to MGNREGA workers through accounts in Banks or Post Offices.

(ii) MGNREGA workers are entitled to open accounts either in Banks or in Post Offices with a zero balance in accounts. MGNREGA Job Card has been accepted as an officially valid document under Know Your Customer (KYC) norms of banks for opening of accounts.

(iii) To strengthen the institutional outreach for wage disbursement, it has been decided that State Governments should roll out the Business Correspondent (BC) Model to make wage payment through Banks with Bio-metric authentication at village level.

(iv) e-FMS (electronic fund management system) module of MGNREGA MIS (NREGASoft) which leverages CBS (core banking system) of Banks and NEFT/RTGS/ECS platform for crediting the bank accounts of workers is being tried on pilot basis in 4 states viz. Rajasthan, Orissa, Karnataka and Gujarat. 15 more states have opted to initiate e-FMS pilots.

(v) Some State Governments like Andhra Pradesh have introduced Electronic Transfer of Government benefits and other technology based solutions for devising seamless payment processes for wage payments to labourers.

It is the responsibility of the concerned State Governments to make wage payment to MGNREGA workers in accordance with the provisions of the Act.